

Bill C-49 – Getting grain moving

Grain farmers across Canada need a transportation system that is efficient, reliable and accountable. Until the *Transportation Modernization Act* is passed growers and shippers are left without the tools they need to ensure good service and allow them to meet their delivery obligations.

GGC supports passing Bill C-49 as soon as possible.

The Bill

- **GGC is generally pleased with the proposed legislation.**
- Positive elements include:
 - Reciprocal financial penalties in arbitrated service level agreements;
 - A clear definition of “adequate and suitable service”;
 - The maintenance of the Maximum Revenue Entitlement (MRE) with adjustment factors to allocate investments by railway (e.g. incenting hopper car investment);
 - Greater transparency in data sharing and more powers for the Canada Transportation Agency to collect data on rail movement.
 - The two annual railway reports to the Minister of Transport regarding: (i) plans for annual grain movement – due by August 1st and (ii) the winter report (regarding grain and other commodity movement) – due by October 1st.

Amendments

- **GGC supports two targeted amendments that will ensure the bill keeps grain shipping far into the future:**
 1. Include soybeans in the Maximum Revenue Entitlement as a Schedule II grain. At the time the MRE was put in place soybeans were not planted in the prairies. They are now Manitoba’s second largest crop and are growing west. It is time they were treated fairly.
 2. Amendments to Long Haul Interswitching to help ensure that grain farmers and shippers can take their business somewhere else when they get poor service from their rail carrier.
 - Allow elevators that have access to an existing interchange but that is not in the direction of the traffic to qualify for LHI
 - Allow facilities that are served by both railways to qualify for long-haul interswitching measures

350 rue Sparks St., Suite 912
Ottawa, ON K1R 7S8

☎ 613-233-9954
📠 613-236-3590

🐦 @graingrowers
🌐 www.ggc-pgc.ca

Rail Service Issues

- **We are seeing significant and compounding shortages in service delivery from both railways.**
 - The Ag Transport Coalition's weekly rail performance monitoring reports continue to indicate railways are having extreme difficulty meeting weekly commercial demand from grain shippers.
 - As of the most recent report, CN and CP supplied a combined 62% of hopper cars ordered for the week. That is the poorest service to date and there are over 2600 outstanding car orders.
 - CN supplied only 54% of car orders while CP supplied 68%.
 - We cannot see ourselves in another 2013/2014 grain year shipping disaster due to poor railway operational planning and the rationing of service (to grain and other commodities) in an effort to rebalance their operations.

Impact on Growers

- **Missed rail cars mean missed marketing opportunities for grain farmers resulting in:**
 - Missed loan payment due to missed sales, decreased prices due to increased demurrage fees, and lost sales.
 - This has a direct impact on farm-gate income and future on-farm investment.
- **60% of grain is shipped by rail to travel to our global export markets.**
 - Recent free trade successes such as CETA and CPTPP make it all the more important that we can get our grain to market and maintain our international reputation as a reliable supplier of high quality grain.
 - The 2013/14 rail crisis caused trading partners to go elsewhere for their grain. Some commodities, such as oats, are still working to re-build their markets.

CONTACT GRAIN GROWERS OF CANADA

Jeff Nielsen, President
president@ggc-pgc.ca

Tyler McCann, Interim Executive Director
ed@ggc-pgc.ca

ABOUT GGC

The Grain Growers of Canada is devoted to representing grain farmers' interests in national policy development. The Grain Growers of Canada is voice for 50,000 grain farmers across Canada who actively grow and care for a variety of crops including wheat, durum, barley, canola, oats, soybeans, peas and lentils.